

Commemorating the 50th Anniversary of the 1944 Public Health Service Act

On July 12, 1994, a program to commemorate the 50th anniversary of the passage of the 1944 Public Health Service Act was held in the Hubert H. Humphrey Building in Washington, DC, the headquarters of the Department of Health and Human Services. Two commissioned papers were presented as part of the anniversary celebration. Lynne Page Snyder, of the Office of the PHS Historian, described the background and events that led to the enactment of this historic legislation. Daniel M. Fox, PhD, President of the Milbank Memorial Fund, explored how the act has helped to shape the policy of the Public Health Service over the past half-century. Public Health Reports is pleased to publish the texts of the two papers that marked this historic occasion (with slight editorial modifications).

Passage and Significance of the 1944 Public Health Service Act

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Reference citations and footnotes to the paper are available on request from the Office of the PHS Historian, Room 17-31 Parklawn Bldg., 5600 Fishers Lane, Rockville, MD 20857; tel. 301-443-5363; FAX 301-443-0358.

IT IS AN HONOR AND A PLEASURE to speak about an episode in the recent past, about health care reform and its relationship to the structure of the Public Health Service (PHS).

Between April 1942 and July 1944, a handful of Federal officials and members of Congress brought the Public Health Service into the 20th century. The first act, Public Law 78-184 signed in November 1943, cast PHS as a tightly knit bureaucracy managed by career health professionals. The second act, Public Law 78-410 signed in July 1944, codified the agency's legislative bases, creating a statute that would become an operating backbone of PHS and a source of institutional identity.

Together, the two acts allowed Surgeon General Thomas Parran and his allies to chart a course for the Public Health Service in the years after World War II. Shortly after the passage of the 1944 act, Surgeon General Parran described his vision for postwar policy, which he said, "embraces more than the means to pay doctor's bills. It embraces the building

of a sanitary environment; the provision of hospitals, diagnostic facilities, and health services; training of all kinds of professional personnel; and research to discover more effective methods for diagnosis and treatment."

In hindsight, the meaning of the acts appears simple—an administrative spring cleaning, of a sort, to coordinate the many new programs that became a part of the Public Health Service as a result of the New Deal and World War II. Wartime mobilization alone brought a staggering increase in the numbers of staff and duties. Between 1940 and 1945 the Commissioned Corps quintupled in size, and the overall number of staff more than doubled. The PHS's budget grew almost fivefold. There were new programs for malaria and typhus control, sanitation, and the control of venereal diseases; industrial hygiene services for factory workers; community health programs for draft-age men; a heavily increased load of beneficiaries to treat in the network of PHS hospitals and clinics. A new program to train nurses accounted for more than half of the wartime increase in the PHS budget.

Looking back, retired Surgeon General Parran would explain the acts' origins in the difficulties of administering the PHS during this era: "We were criticized from time to time because of the messy structure of the public health laws. Nobody knew where to find anything. The PHS badly needed modernizing."

But there is more to our story than that. The late

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thirties and early forties were also a time of heated controversy over the issue of national health insurance. Against this backdrop, the 1943 and 1944 acts were a skilled political maneuver. In committing the PHS to a policy of increasing the supply of health services, the acts allowed Surgeon General Parran and his allies in Congress to expand the role of the Federal Government in public health without entangling the PHS in the politically contentious issues of financing services and alienating a key constituency for the agency, the American Medical Association.

Plans for administrative reorganization dated back to 1932. At that time PHS officer Thomas Parran was on detail to the State of New York, where he worked for Governor Franklin D. Roosevelt as the State's Commissioner of Health. After Governor Roosevelt became President-elect Roosevelt, he asked Parran to prepare plans to coordinate all Federal health activities.

Parran had two goals. One was to gather Federal health activities together within an agency devoted to social welfare issues. In 1939 this goal was achieved in part with the creation of the Federal Security Agency and the transfer of the PHS from its original home in the Treasury Department.

The other goal was to fashion a more tightly run medical bureaucracy. The PHS's move to the Federal Security Agency in 1939 had not changed the Service's cumbersome internal organization. PHS was composed of eight separate divisions, and there were almost as many divisions within the National Institute of Health. Each division head reported directly to the Surgeon General.

The 1943 and 1944 acts began as a single bill, devoted to giving the Surgeon General greater administrative discretion and bolstering the role of the Commissioned Corps. Surgeon General Parran was particularly concerned that Corps officers, as one member of Congress observed, were "neither fish nor fowl," covered neither by civil service disability and death benefits nor by those given to members of the Armed Forces. In 1939, Surgeon General Parran had attempted unsuccessfully to get the PHS transferred

to the War Department. In the spring of 1942 Parran's staff prepared a bill to give military benefits to the Commissioned Corps. The PHS packaged this personnel reform with a proposal to organize the PHS into four "Bureaus" and to give the Surgeon General authority for future reorganizations.

Parran's bill met with objections from the War Department, the Veterans' Administration, and the Bureau of the Budget, all of whom saw the PHS as an essentially civilian organization. Objections from the Bureau of the Budget were a problem. The Bureau acted as a voice for the executive branch, evaluating or "clearing" bills that originated within the agencies at three points in each bill's journey through Congress. After the PHS agreed to a compromise measure for civilian benefits, a modified proposal was introduced in September 1942 in the House and again in January of 1943 in both Houses of Congress.

Parran's modified bill encountered new obstacles during congressional hearings in the spring of 1943. First, a Senate subcommittee put the offending personnel provision back into the bill and strengthened it. The Chair, Senator Elbert Thomas of Utah, argued that original congressional intent had been for a "commissioned, mobile, disciplined Corps" to serve as the heart of the PHS and that the lack of benefits hurt the agency's ability to recruit and retain officers. Bureau of the Budget officials refused to sanction the Senate's amendment, despite an emergency April 1943 meeting requested by the Federal Security Agency, where Surgeon General Parran pleaded his case in the name of wartime administration.

The second development came from the House. When Parran's bill was reported back from Interstate and Foreign Commerce's health subcommittee, the chair called for a codification of all the PHS's duties, to be included in Parran's bill.

Why did the House subcommittee call for codification? Members of Congress expressed frustration with trying to craft coherent policy for the PHS, given its patchwork of appropriations through a number of subcommittees and through inter-agency transfers. It was difficult to evaluate Parran's proposed changes, in light of possible conflicts with other bills.

More importantly, recent controversy over proposals for a national social insurance program to include health care made a formal PHS charter of duties a useful political tool. Senator Robert Wagner's 1939 National Health Bill had proposed the organization and funding of universal coverage through the States. It had touched off a campaign by the organized medical community to oppose what one

spokesman characterized as “socialized medicine.” A revised version of Wagner’s bill, drafted by Social Security Board officials Wilbur Cohen and I.S. Falk and organized labor, in early 1943 proposed a wholly Federal system of social insurance with the Surgeon General in the role of gatekeeper for the provision of medical care. Their proposal, introduced in early June 1943 as the first Wagner-Murray-Dingell bill, drew the ire of the American Medical Association’s chief editorialist, Morris Fishbein. Fishbein called the proposed role of the Surgeon General to be that of a “virtual gauleiter” of American medicine.

The request to codify PHS’s authorities and duties was a move to distance the Public Health Service from the controversy surrounding national health insurance. Efforts to downplay the significance of organizational reform worked well. In an editorial published days after the first Wagner-Murray-Dingell bill was introduced, Fishbein praised Parran’s amended proposal for not adding to the powers of the Surgeon General.

Over the summer of 1943 a small group of PHS officials, Assistant General Counsels Alanson Willcox and Leonard Calhoun from the Federal Security Agency and congressional staffers, worked at the task of drafting a PHS code or statute. They sifted through more than 100 years’ worth of earmarked acts, appropriations measures, Presidential Executive Orders, and regulations. Surgeon General Parran and his top deputies held a series of weekly meetings to oversee the drafting. In October 1943 a new bill was introduced in the House, the outcome of 6 months’ work.

The prospect of extensive hearings on the new codification measure spurred Parran to ask Congress to revive his original bill. PHS officials rewrote the measure, qualifying eligibility for benefits. They added a clause that instructed the President to make the Corps fully military by issuing an Executive Order, a strategy that had been used during the Spanish-American War and World War I. The Bureau of the Budget gave its support, and President Roosevelt signed the bill, the Public Health Service Act of 1943, into law on November 11 of that year.

After 2 weeks of hearings in March 1944, a fresh draft of the new codification bill was introduced and passed without controversy through both Houses of Congress. The only significant change was the attachment of a provision that had been considered as a separate bill during the spring of 1944. The amendment expanded the PHS’s tuberculosis program to include financial support to State and local health departments. The tuberculosis proposal enjoyed strong backing from the National Tuberculosis

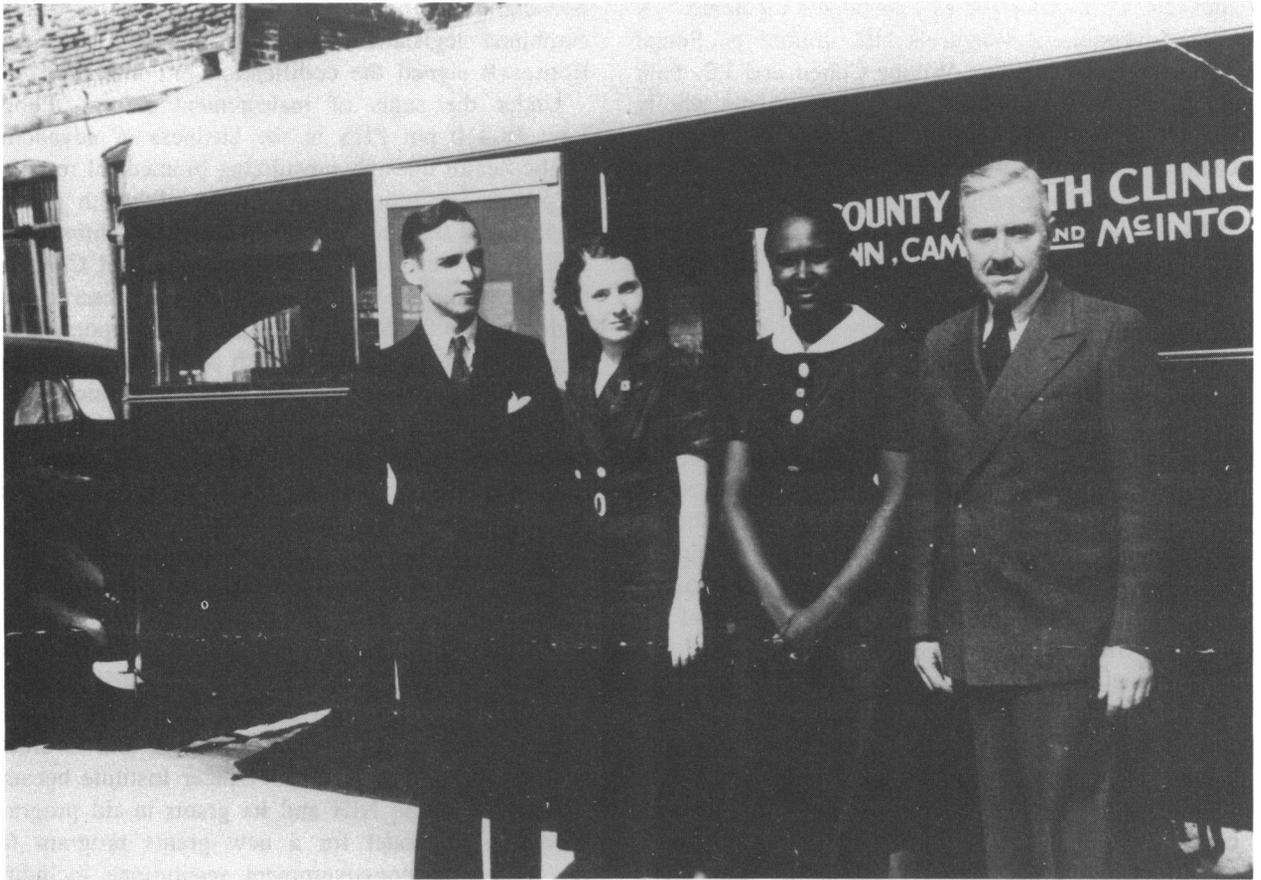
Association, support that boosted passage of the combined legislation. On July 5, 1944, President Roosevelt signed the codification bill into law.

Under the aegis of management reform, Public Law 78-410 put PHS in the business of advancing public health through subsidizing biomedical research at private institutions, the training of health professionals, and the building of health care facilities. Title 2 of the act established the Commissioned Corps as the leadership cadre of the PHS and reserved all authorities to the Surgeon General. It incorporated the provisions of the 1943 act, with additions such as the eligibility of nurses and other health professionals for commissions in the Regular Corps. The following summer President Harry Truman would issue an Executive Order declaring the Commissioned Corps to be a military force, a measure that lasted through 1952.

Titles 3 and 4 laid out agency authorities and duties. First and foremost was a commitment to the production of scientific research. The National Institute of Health (NIH) was elevated from a Division to a Bureau. The Surgeon General was authorized to conduct clinical research and to create new Institutes. The National Cancer Institute became a Division of the NIH and its grants-in-aid program served as a model for a new grants program for researchers at nongovernment institutions including universities and medical schools. PHS leadership had laid plans for clinical research and for the extramural program years earlier. Inclusion of these provisions in the 1944 act attested to early successes of the NIH in the area of infectious disease and to growing interest in the biology of chronic disease.

The acts coordinated and expanded relationships with State and local health departments, the PHS’s partners in disseminating the fruits of scientific research. Titles 3 and 4 upgraded the old Division of States Relations to a new Bureau of State Services and expanded the Service’s financial, technical, and advisory support, increasing annual appropriations from \$11 million to \$20 million.

The new tuberculosis program demonstrated the act’s usefulness as a basic statute to promote new activities organized around diseases, the so-called categorical approach, and devoted to increasing the supply of personal health services. Two previous attempts to expand the Service’s funding of chest X-ray screening programs had failed when the Bureau of the Budget protested the lack of appropriate legislation. The 1944 act included earmarked funds for public health department programs and for construction. Three days after President Roosevelt signed the 1944 act, Surgeon General Parran issued a



Collaboration with local health departments was strengthened by the Public Health Service Act of 1944. Surgeon General Thomas Parran (right) visited the mobile clinic in Brunswick, GA, which tested and treated residents for venereal disease. The project was staffed by two local nurses and a future Surgeon General, Dr. Leroy Burney (left). (Photo courtesy of the National Library of Medicine)

reorganization order creating a new Division of Tuberculosis Control within the Bureau of State Services.

Last but not least, the 1944 act mandated that the Public Health Service expand its traditional function of medical care for Federal beneficiaries through a new Bureau of Medical Services. Contrary to Parran's strategy, a few of his colleagues actually regarded this provision of the act as preparation for national health insurance. In a 1945 publication, social scientist Harry Mustard described the act as a part of a "nationwide system of medical care" and

predicted the future role of the PHS in delivering health care services to the general public.

The 1944 act allowed Surgeon General Parran and his successors to articulate a practical vision for the role of the PHS in postwar Federal policy. Heated debates over national health insurance left the PHS relatively untouched. Agency officials pursued an approach to public health organized around the promise of science rather than about the financing of personal health services. As senior administrator Mary Switzer described the 1944 act, it was a "statesmanlike piece of legislation."